94-1437 (4)

No. 94-1439

MOTION FILED
MAR 2 9 1995

IN THE

Supreme Court of the United States

OCTOBER TERM, 1994

CONOPCO, INC. D/B/A
CHESEBROUGH-POND'S USA CO.,

Petitioner,

vs.

MAY DEPARTMENT STORES COMPANY, VENTURE STORES, INC., THE BENJAMIN ANSEHL COMPANY, and KESSLER CONTAINERS, LTD.,

Respondents.

PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

MOTION FOR LEAVE TO FILE BRIEF *AMICUS CURIAE* AND BRIEF *AMICUS CURIAE* IN SUPPORT OF PETITIONER

ETHAN HORWITZ*
ANDREW BAUM
AMY J. BENJAMIN
DARBY & DARBY P.C.
Attorneys for American Home Products Corporation and Nabisco, Inc.
805 Third Avenue
New York, New York 10022
(212) 527-7700

**Counsel of Record*

March 29, 1995

BEST AVAILABLE COPY

22 pp

No. 94-1439

In The

Supreme Court of the United States

October Term, 1994

CONOPCO, INC. D/B/A CHESEBROUGH-POND'S USA CO.,

Petitioner,

—v.—

MAY DEPARTMENT STORES COMPANY, VENTURE STORES, INC., THE BENJAMIN ANSEHL COMPANY, and KESSLER CONTAINERS, LTD.,

Respondents.

MOTION FOR LEAVE TO FILE BRIEF *AMICUS CURIAE*

Pursuant to Supreme Court Rule 37.2, American Home Products Corporation ("AHP") and Nabisco, Inc. ("Nabisco") hereby respectfully move for leave to file the attached brief *amicus curiae* in support of petitioner Conopco, Inc.'s Petition For a Writ of Certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit ("Federal Circuit") in this case.

On March 27, 1995, AHP and Nabisco sought the consent by telephone of the petitioner and respondents for the filing of this brief *amicus curiae* in support of the petitioner. The petitioner consented in writing. All four

respondents refused consent by telephone on March 27, 1995, thereby necessitating this motion.

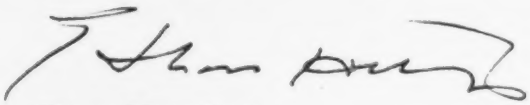
Both AHP and Nabisco manufacture and sell consumer products under some of America's best known brand names. AHP, a worldwide leader in health care products, manufactures and sells leading brands such as ADVIL ibuprofen analgesic, ROBITUSSIN cough medications and CENTRUM vitamins. Nabisco manufactures and sells cookies, crackers, and other food products under brand names such as OREO, FIG NEWTON, SNACKWELL'S and RITZ. All of these products are leaders in their product categories, and all of them have long been sold in packages whose designs are well known and easily recognizable to consumers. Indeed, the package designs for the companies' leading brands may be just as important, if not more important, than the word trademarks in establishing a brand identity.

Accordingly, both Nabisco and AHP have a long standing interest in enforcing federal law which protects distinctive package designs from infringement. They are therefore concerned by the decision of the Federal Circuit in this case, which represents an abrupt departure from the settled law of most circuits in several respects. AHP and Nabisco believe that the decision creates an opportunity for retailers or private label manufacturers to confuse the public by selling products which compete directly with their leading brands, in virtually identical trade dress, and to escape liability by simply affixing some indication of origin with the retailer. This would damage not only the commercial interests of AHP and Nabisco, but the public interest as well.

This brief *amicus curiae*, for which AHP and Nabisco are requesting permission to file, will further amplify the discussion regarding the law of trade dress, and address the Federal Circuit's departure from established rules of law.

For the foregoing reasons, AHP and Nabisco respectfully move for leave to file the attached brief *amicus curiae*.

Respectfully submitted,



Ethan Horwitz*
Andrew Baum
Amy J. Benjamin
DARBY & DARBY P.C.
Counsel for American Home Products Corporation and Nabisco, Inc.
805 Third Avenue
New York, New York 10022
(212) 527-7700

**Counsel of Record*

March 29, 1995

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES ii

INTEREST OF THE *AMICUS CURIAE* 1

SUMMARY OF ARGUMENT 2

ARGUMENT 3

I. THE FEDERAL CIRCUIT DECISION IS INCONSISTENT WITH THIS COURT'S DECISION IN *TWO PESOS* 3

II. THE FEDERAL CIRCUIT DECISION TOOK AN ERRONEOUSLY NARROW VIEW OF THE TYPE OF CONFUSION WHICH CAN SUPPORT A FINDING OF INFRINGEMENT . . . 8

CONCLUSION 13

TABLE OF AUTHORITIES

Page

Cases:

AmBrit, Inc. v. Kraft, Inc., 805 F.2d 974 (11th Cir. 1986), re-reported, 812 F.2d 1531 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041, 107 S. Ct. 1983, 95 L. Ed. 2d 822 (1987) 5

Bose Corp. v. Linear Design Labs, Inc., 467 F.2d 304 (2d Cir. 1972) 7

Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033 (2d Cir. 1992) 6

Conopco, Inc. v. May Dep't Stores Co., __ F.3d __, 32 U.S.P.Q.2d 1225 (Fed. Cir. 1994) 1, 13

Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979) 9

Fisher Stoves, Inc. v. All Nighter Stove Works, Inc., 626 F.2d 193 (1st Cir. 1980) 7

Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons, 523 F.2d 1331 (2d Cir. 1975) 10, 11

Jordache Enters., Inc. v. Levi Strauss & Co., 841 F. Supp. 506 (S.D.N.Y. 1993) 10

Knorr-Nahmittel A.G. v. Reese Finer Foods, Inc., 695 F. Supp. 787 (D.N.J. 1988) 5

Koppers Co., Inc. v. Krupp-Koppers GmbH, 517 F. Supp. 836 (W.D. Pa. 1981) 9, 11

Kraft General Foods, Inc. v. Friendship Dairies, Inc., 19 U.S.P.Q.2d 1691 (S.D.N.Y. 1991) 5

Kroger Co. v. Johnson & Johnson, 570 F. Supp. 1055 (S.D. Ohio 1983) 11-13

Litton Sys., Inc. v. Whirlpool Corp., 728 F.2d 1423 (Fed. Cir. 1984) 7

Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867 (2d Cir.1986) 10

McDonald's Corp. v. McBagel's, Inc., 649 F. Supp. 1268 (S.D.N.Y. 1986) 13

Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254 (2d Cir. 1987) 11

Nabisco Brands, Inc. v. Conusa Corp., 722 F. Supp. 1287 (M.D.N.C. 1989), *aff'd without opinion*, 892 F.2d 74 (4th Cir. 1989) 5

Ortho Pharmaceutical Corp. v. American Cyanimid Co., 361 F. Supp. 1032 (D.N.J. 1973) 11

Park 'N Fly, Inc. v. Dollar Park and Fly, Inc., 469 U.S. 189, 105 S. Ct. 658, 663, 83 L. Ed. 2d 582 (1985) 4

Playboy Enters., Inc. v. Chuckleberry Publishing, Inc., 486 F. Supp. 414 (S.D.N.Y. 1980), *later proceeding*, 511 F. Supp. 486 (S.D.N.Y. 1981) (permanent injunction), *aff'd*, 687 F.2d 563 (2d Cir. 1982) 10, 13

Resorts Int'l v. Greate Bay Hotel and Casino, 830 F. Supp. 826 (D.N.J. 1992) 11

RJR Foods, Inc. v. White Rock Corp., 603 F.2d 1058 (2d Cir. 1979) 5

Soft Sheen Products, Inc. v. Revlon, Inc., 675 F. Supp. 408 (N.D. Ill. 1987) 5

Stern's Miracle-Gro Prods., Inc. v. Shark Prods., Inc., 823 F. Supp. 1077 (S.D.N.Y. 1993) 11

Sunbeam Corp. v. Equity Indus. Corp., 635 F. Supp. 625 (E.D. Va. 1986), *aff'd*, 811 F.2d 1505 (4th Cir. 1987) 7

Syntex Lab., Inc. v. Norwich Pharmacal Co., 437 F.2d 566 (2d Cir. 1971) 9

Two Pesos, Inc. v. Taco Cabana, Inc., ___ U.S. ___, 112 S. Ct. 2753, 120 L. Ed. 2d 615, *reh'g denied*, ___ U.S. ___, 113 S. Ct. 20, 120 L. Ed. 2d 947 (1992) 2-4, 8

Veryfine Prods., Inc. v. Colon Brothers, Inc., 799 F. Supp. 240 (D.P.R. 1992) 11

W.E. Bassett Co. v. Revlon, Inc., 435 F.2d 656 (2d Cir. 1970) 6

Page

Statutes:

15 U.S.C. § 1114(1)(a) 9

15 U.S.C. § 1125(a) 3, 4

Treatises:

Restatement (Third) of Unfair Competition § 13, comment e (Tent. Draft No. 2, 1990) 4

Articles:

Eliot Schreiber, "Retail Trends Shorten Life of Package Design," *Marketing News*, December 5, 1994 5

Michael Prone, "Package Design has Stronger ROI Potential Then Many Believe," *Marketing News*, October 11, 1993 5

Steven H. Hartman, "Subliminal Confusion: The Misappropriation of Advertising Value," 78 *The Trademark Reporter* 506 (1988) 11

American Home Products Corporation ("AHP") and Nabisco, Inc. ("Nabisco") respectfully submit this brief *amicus curiae* in support of the Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit ("Petition for a Writ of Certiorari") filed by Petitioner, Conopco, Inc. d/b/a Chesebrough-Pond's USA Co. ("Conopco") in *Conopco, Inc. v. May Dep't Stores Co.*, __ F.3d __, 32 U.S.P.Q.2d 1225 (Fed. Cir. 1994).

The decision of the Federal Circuit holds that a private label retailer who has intentionally copied the trade dress of a leading brand may escape liability merely by affixing its retail logo (not its store name) on the front of its package. This decision contravenes established law, jeopardizes the ability of companies like AHP and Nabisco to protect the trade dress of their famous brands, and will lead to increased confusion and deception among consumers.

INTEREST OF THE *AMICUS CURIAE*

AHP manufactures and sells leading brands of over-the-counter health care products such as ADVIL analgesic, ROBITUSSIN cough medication and CENTRUM vitamins. Nabisco manufactures and sells leading brands of cookies and crackers under brand names like OREO, SNACKWELL'S and RITZ. All of these brands are sold in packages that are extremely well recognized by consumers. Indeed, it is fair to say that in a typical drug store or supermarket environment, a consumer is likely to be attracted to the array of green and white ROBITUSSIN packages, or the familiar RITZ cracker box design, before he or she even sees the brand name on the package.

Retail chains frequently dress their competing private label products in packages which echo, in some respect, the packages of leading brands. Until the Federal Circuit decision in this case, suits concerning this practice were decided on traditional principles of unfair competition law.

The Federal Circuit decision, however, imports a *per se* exception to these principles, radically altering the legal balance between national brand and private label producers.

In every Circuit, the question of trade dress infringement is determined by weighing a set of factors enumerated in the case law. In this case, the District Court found that Conopco prevailed on all of them. Included in its analysis was a finding that respondents had intentionally copied Conopco's strong, nonfunctional and protectible trade dress. The Federal Circuit left the District Court's findings on these facts virtually undisturbed, yet reversed. If Conopco cannot protect its trade dress from infringement in a case like this, it is difficult to imagine one in which it -- or any other national brand manufacturer -- could do so.

AHP and Nabisco therefore are greatly concerned that the decision will create an "open season" on their valuable national brand trade dress. At the very least, the decision departs from the established law of this Court and the various Circuits, and renders uncertain the parties' ability to enforce their trade dress rights.

SUMMARY OF ARGUMENT

The Federal Circuit decision should be reversed because, in addition to the reasons set forth in the Petition for a Writ of Certiorari:

1. It fails to recognize trade dress as a form of intellectual property equal in legal and commercial importance to trademarks. This is inconsistent with this Court's decision in *Two Pesos, Inc. v. Taco Cabana, Inc.*, ___ U.S. ___, 112 S. Ct. 2753, 120 L. Ed. 2d 615, *reh'g denied*, ___ U.S. ___, 113 S. Ct. 20, 120 L. Ed. 2d 947 (1992), which holds that trade dress should be treated no differently than trademarks. This is also inconsistent with modern commercial practice, in which the overall design and appearance of a package plays an equal -- if not greater --

role than the trademark in establishing a brand identity in the minds of consumers.

2. It fails to take a sufficiently inclusive view of the types of confusion which may support an infringement claim. It is infringement if a defendant initially attracts potential purchasers by using a similar mark or trade dress, riding the coattails of the senior user's reputation and recognition, even if that confusion is dissipated at the time of purchase. The Federal Circuit's narrow view of what constitutes actionable confusion is both legally erroneous and commercially devastating to companies like AHP and Nabisco, whose leading brands are targets for "knockoffs" by private labellers.

ARGUMENT

I. THE FEDERAL CIRCUIT DECISION IS INCONSISTENT WITH THIS COURT'S DECISION IN *TWO PESOS*

The Federal Circuit decision should be reviewed because it assumes, without evidence, that confusion created by virtually identical *trade dress* on a low-cost retail store item can be dissipated simply by the use of a retailer's own *trademark*. This relegates the source - identifying power of trade dress to a form of second-class citizenship, contravening this Court's decision in *Two Pesos, Inc. v. Taco Cabana, Inc.*, ___ U.S. ___, 112 S. Ct. 2753, 120 L. Ed. 2d 615, *reh'g denied*, ___ U.S. ___, 113 S. Ct. 20, 120 L. Ed. 2d 947 (1992).

In *Two Pesos*, the question presented was whether the trade dress of a restaurant could be protected under Section 43(a)[1] without proof that the trade dress had acquired

---

[1] 15 U.S.C. § 1125(a).

secondary meaning.[2] The law was clear that inherently distinctive word trademarks were protectible without such proof, yet some Circuits had required proof of secondary meaning in all trade dress cases, irrespective of the inherent distinctiveness of the trade dress. This Court rightly held that there was no reason to judge the protectibility of trademarks and trade dress under different standards:

> [P]rotection of trademarks and trade dress under § 43(a) serves the same statutory purpose of preventing deception and unfair competition. There is no persuasive reason to apply different analysis to the two.

___ U.S. at ___, 112 S. Ct. at 2760, 120 L. Ed. 2d at 627. Such a difference in treatment was not only unsupported by the text of § 43(a), said this Court; it also undermined the purpose of the Lanham Act:

> Protection of trade dress, *no less than of trademarks*, serves the Act's purpose to "secure to the owner of the mark the good-will of his business and to protect the ability of consumers to distinguish among competing producers."

___ U.S. at ___, 112 S. Ct. at 2760, 120 L. Ed. 2d at 627 (emphasis supplied) (quoting *Park'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 198, 105 S. Ct. 658, 663, 83 L. Ed. 2d 582, 590 (1985)).

---

[2] Secondary meaning is said to exist when a trademark or trade dress "has come *through use* to be uniquely associated with a specific source:" (emphasis added). Restatement (Third) of Unfair Competition § 13, comment e (Tent. Draft No. 2, 1990), quoted in *Two Pesos*, ___U.S. ___, 112 S. Ct. 2754, 120 L. Ed. 2d at 622, n.4.

This Court's recognition of the *legal* importance of trade dress jibes with the market's recognition of its *commercial* importance. It is a marketing truism that three-quarters of buying decisions are made at the point of purchase, where the consumer is facing the producer's package.[3] These decisions are made quickly, and in a crowded environment; the average supermarket shopper views twenty products *per second*.[4] It is for these reasons that national-brand producers like AHP and Nabisco invest millions of dollars in creating and developing package designs which will communicate a brand identity in a memorable way.

The right to protect this investment by preventing the use of confusingly similar packaging for competing goods -- even though defendant includes its own trademark -- is well established.[5] Indeed, the right to protection of trade dress

---

[3] Michael Prone, "Package Design has Stronger ROI Potential Then Many Believe," *Marketing News*, October 11, 1993, p. 13.

[4] Eliot Schreiber, "Retail Trends Shorten Life of Package Design," *Marketing News*, December 5, 1994, p. 7.

[5] *See, e.g., AmBrit, Inc. v. Kraft, Inc.*, 805 F.2d 974 (11th Cir. 1986), re-reported, 812 F.2d 1531 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041, 107 S. Ct. 1983, 95 L. Ed. 2d 822 (1987) (KLONDIKE ice cream bar wrapper infringed by similar wrapper for competing POLAR B'AR product); *RJR Foods, Inc. v. White Rock Corp.*, 603 F.2d 1058 (2d Cir. 1979) (label for HAWAIIAN PUNCH soft drink consisting of blue background and tall glass of red punch infringed by similar label for WHITE ROCK soft drink); *Kraft General Foods, Inc. v. Friendship Dairies, Inc.*, 19 U.S.P.Q.2d 1691 (S.D.N.Y. 1991) (trade dress for BREAKSTONE'S sour cream infringed by package bearing well-known FRIENDSHIP mark); *Nabisco Brands, Inc. v. Conusa Corp.*, 722 F. Supp. 1287 (M.D.N.C. 1989), *aff'd without opinion*, 892 F.2d 74 (4th Cir. 1989) (hard candies virtually identical in appearance to LIFE SAVERS candies; defendant's affixation of its trademark BARCA to each piece did not prevent confusion; *Knorr-Nahmittel A.G. v. Reese Finer Foods, Inc.*, 695 F. Supp. 787 (D.N.J. 1988) (KNORR dried soup package design infringed by design for competing REESE soups); *Soft Sheen Products, Inc. v. Revlon, Inc.*, 675 F. Supp. 408 (continued...)

would be useless if defendant's mere affixation of its trademark created a complete defense, as the Second Circuit noted in *W.E. Bassett Co. v. Revlon, Inc.*, 435 F.2d 656, 662 (2d Cir. 1970):

> [I]f accepted, [this argument] would allow any company that is well-enough known, to infringe a competing company's mark, especially if the competitor is small, merely by coupling its own name with the competitor's mark. (citations omitted)

Case law does recognize some circumstances under which a defendant's prominent use of a very well-known trademark may obviate confusion. For example, in *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033 (2d Cir. 1992), defendant was found to have intentionally copied the trade dress of plaintiff's EXCEDRIN PM pain reliever in creating the package for its competing TYLENOL PM product. Nevertheless, because defendant's trademark was so well known, and because the respective marks on each package were "by far the *most prominent feature* . . . of *otherwise ordinary boxes*," the Court of Appeals found no likelihood of confusion. *Id.* at 1046 (emphasis added). However, the Court stressed that its decision was limited to the facts of the case before it:

> We do not mean to intimate that the distinctive elements of any trade dress may be

---

[5](...continued)
(N.D. Ill. 1987) (trade dress for plaintiff's SOFT SHEEN hair care product infringed by similar design for Revlon's competing CREME OF NATURE product). *See also* "private label" cases cited in the Petition for Writ of Certiorari, p. 12 n.9.

> freely appropriated as long as the junior user clearly identifies the source of the goods.

Id. at 1047. Other cases, involving relatively expensive items purchased after considerable thought and attention, have found defendant's use of its well-known house mark sufficient to obviate confusion. *Litton Sys., Inc. v. Whirlpool Corp.*, 728 F.2d 1423 (Fed. Cir. 1984) (microwave ovens); *Fisher Stoves, Inc. v. All Nighter Stove Works, Inc.*, 626 F.2d 193 (1st Cir. 1980) (cast iron wood stoves); *Bose Corp. v. Linear Design Labs, Inc.*, 467 F.2d 304 (2d Cir. 1972) (high fidelity loudspeakers); *Sunbeam Corp. v. Equity Indus. Corp.*, 635 F. Supp. 625 (E.D. Va. 1986), *aff'd*, 811 F.2d 1505 (4th Cir. 1987) (food processors).

The Federal Circuit decision at issue here goes far beyond these cases. Here, the products are low-cost packaged goods purchased in retail store environments. The plaintiff's trade dress is strong and highly distinctive. Defendants intentionally copied this trade dress, and without reasonable explanation failed to include its VENTURE trademark on the front label for its product. (Ironically, the only word trademark on the front of defendants' package is plaintiff's).[6] Most egregiously, the Federal Circuit simply *assumed* that the presence of the Venture logo would, in itself, dissipate confusion, ignoring the District Court's detailed and voluminous findings of fact to the contrary.

The leap to this conclusion can only be the product of an unspoken assumption by the Federal Circuit that source identification is primarily a function of a national brand's trademark, with the trade dress playing merely a supporting role. This assumption has no basis in the case record, is

---

[6] District Court Finding of Fact No. 137, reprinted in Petition for Writ of Certiorari, p. 57a.

contrary to marketplace reality, and conflicts with this Court's decision in *Two Pesos*.

II. THE FEDERAL CIRCUIT DECISION TOOK AN ERRONEOUSLY NARROW VIEW OF THE TYPE OF CONFUSION WHICH CAN SUPPORT A FINDING OF INFRINGEMENT

The Federal Circuit justified its reversal of the District Court's finding of infringement (despite reversing only one of the District Court's 168 findings of fact) by holding that

> in view of the prominent placement of the Venture logo on the front of the Venture product, the extensive exposure of consumers have had to that logo, and the extended period over which consumers have been able to distinguish the Venture and Conopco brands without any apparent confusion -- the findings made by the court do not support a conclusion that consumers associate the Venture brand with Conopco, rather than with Venture.[7]

Petition for a Writ of Certiorari, Appendix A, p. 23a. This reasoning takes an erroneously narrow view of the types of confusion which can support an infringement claim. By recognizing only confusion as to association, the Federal

---

[7] The Federal Circuit's reliance on the lack of confusion between the original VICL and Venture products is misplaced and erroneous because prior to the re-launch of VICL, Conopco did not use a distinctive bottle style (both Conopco and Venture had used a bottle which was commonly used throughout the industry) and Venture prominently used the VENTURE word mark, in addition to its logo, on the front of its package. District Court Finding of Fact Nos. 12, 66, reprinted in Petition for Writ of Certiorari, pp. 33a, 44a.

Circuit incorrectly ignored the broad scope of protection afforded to trademarks and trade dress by the Lanham Act.

In 1962, Congress amended the infringement section of the Lanham Act[8] to eliminate the requirement that "purchasers" be deceived as to the "source or origin" of the goods. This amendment evidenced "a clear purpose [by Congress] to outlaw the use of trademarks which are likely to cause confusion, mistake, or deception of any kind, not merely of purchasers nor simply as to source of origin." *Syntex Lab., Inc. v. Norwich Pharmacal Co.*, 437 F.2d 566, 568 (2d Cir. 1971); *see also Koppers Co., Inc. v. Krupp-Koppers GmbH*, 517 F. Supp. 836, 843 (W.D. Pa. 1981) ("The amendment also shows such intent that the nature of the confusion should not be restricted to source of origin of goods or services. Thus, this Court infers that it must broadly define the nature of the forbidden confusion and the class of people whose confusion is forbidden.").

Thus, the courts now regularly recognize three different types of actionable confusion:

> where: (1) prospective purchasers believe that the senior user sponsored or otherwise approved of the junior user's trademark, *see Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 205 (2d Cir.1979); (2) potential consumers

---

[8] Prior to the 1962 amendment, Section 32(1) read:

> Any person who shall, without the consent of the registrant-
>
> (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive *purchasers as to the source of origin of such goods or service*. 15 U.S.C. § 1114(1)(a) (emphasis added). The 1962 amendment deleted the italicized language.

> initially are attracted to the junior user's mark by virtue of its similarity to the senior user's mark, even though these consumers are not actually confused at the time of purchase, *see Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 523 F.2d 1331, 1342 (2d Cir.1975); and (3) customers are confused as to the source of the junior user's product when this product is observed in the post-sale context, *see Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 871 (2d Cir.1986).

Jordache Enters., Inc. v. Levi Strauss & Co., 841 F. Supp. 506, 514-15 (S.D.N.Y. 1993).

The situation in which consumers are initially attracted to the junior user's product due to its similarity to the senior user's product, but are not actually confused at the time of purchase, has been recognized as "subliminal confusion," that is, the "defendants' ability to gain a foothold in plaintiff's market by exploiting subliminal or conscious association with plaintiff's well-known name." *Playboy Enters., Inc. v. Chuckleberry Publishing, Inc.*, 486 F. Supp. 414, 428 (S.D.N.Y. 1980), *later proceeding*, 511 F. Supp. 486 (S.D.N.Y. 1981) (permanent injunction), *aff'd*, 687 F.2d 563 (2d Cir. 1982). By reversing the District Court on the ground that the facts did not support a finding of confusion as to association or source, the Federal Circuit failed to consider whether the facts support a finding of subliminal confusion.

Subliminal confusion is an insidious and subtle form of unfair competition.

> By triggering the positive associations generated by an established mark, a newcomer can obtain an unfair economic

> advantage in the form of a quick, unearned foothold in competition with a well-known trademarked product, in effect, turning the mark against itself. Without source confusion a new entrant is thus able to benefit from the investment made by the mark owner in establishing a unique identity among the purchasing public.

Steven H. Hartman, "Subliminal Confusion: The Misappropriation of Advertising Value," 78 *The Trademark Reporter* 506, 508 (1988).

The conduct of defendants who copy the salient features of a senior user's trade dress or trademark to gain initial consumer interest (a "foot in the door") has been repeatedly recognized as actionable.[9] As stated in *Kroger Co. v. Johnson & Johnson*, 570 F. Supp. 1055 (S.D. Ohio

---

[9] *See, e.g., Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 260 (2d Cir. 1987) ("such initial trademark confusion works a sufficient trademark injury."); *Grotrian, Hellferich, Schulz*, 523 F.2d at 1342; *Stern's Miracle-Gro Prods., Inc. v. Shark Prods., Inc.*, 823 F. Supp. 1077, 1090 (S.D.N.Y. 1993) (trademarks laws are designed to protect against subconscious association "even if it can be dispelled by the consumer upon further investigation"); *Resorts Int'l v. Greate Bay Hotel and Casino*, 830 F. Supp. 826, 838 (D.N.J. 1992) (in addition to "mistake" and confusion as to source, there is a third, and perhaps most significant kind of confusion" -- subliminal confusion) (citations omitted); *Veryfine Prods., Inc. v. Colon Brothers, Inc.*, 799 F. Supp. 240, 251 (D.P.R. 1992) (finding all three forms of confusion existed); *Koppers Co., Inc.*, 517 F. Supp. at 844 ("Courts have increasingly come to recognize that damaging misassociation of commercial identities can occur at subliminal levels."); *Ortho Pharmaceutical Corp. v. American Cyanimid Co.*, 361 F. Supp. 1032, 1044 (D.N.J. 1973) ("The trade-mark laws protect against this kind of psychological confusion implanted by similar trademarks in the mind of a consumer.").

1983), which involved a store brand "equivalent" to the TYLENOL brand:[10]

> There is something inherently unfair in the effort by plaintiffs to avail themselves of the name and good will of Tylenol. Defendants have expended millions of dollars in advertising their product to the American public. To permit a bystander who has spent a minimum of time, money, and effort in developing its product to profit by marketing the identical commodity with the similar name and packaging is contrary to the stated Congressional purpose of the Lanham Act.

Id. at 1060.

By closely copying the trade dress of market leaders, private labels, such as Venture's lotion, essentially get a free ride on the time, effort and expense incurred by the market leader in developing a distinctive, unique trade dress for its product and promoting that distinctive trade dress as an indicator of source.[11] The private label product in its copycat packaging thus conjures up the market leader and becomes imbued with the reputation for high quality that the market leader has worked so hard to establish and the favorable association the market leader's package has come

---

[10] In *Kroger*, the declaratory judgment plaintiffs marketed over-the-counter acetaminophen in competition with Johnson & Johnson's market leader TYLENOL brand acetaminophen. The plaintiffs' redesigned packaging was nearly identical to that used by Johnson & Johnson for TYLENOL, and included the use of trademarks ending in the suffix -NOL. *Id.* at 1056-57.

[11] Conopco spent two years developing the revised VICL trade dress and $106 million promoting and advertising the revised VICL. In contrast, it took defendants less than a year to copy the VICL redesigned trade dress. District Court Finding of Fact Nos. 21-25, 36, 50, 52, reprinted in Petition for Writ of Certiorari, pp. 35a-36a, 38a-39a, 40a, 42a.

to represent in consumers' minds as a consequence of product quality and consumer acceptance.[12] Thus, with comparably little effort and money, the private label is able to ride on the coattails of the market leader.[13]

There are many legitimate ways for a private label manufacturer to encourage consumers to "compare and save" to the market leader, such as advertising and shelf talkers, which do not create subliminal confusion. The Federal Circuit's decision now gives private label manufacturer's carte blanche to copy the market leader's valuable and well-known trade dress and trademarks, so long as the private label manufacturer includes its own logo.

CONCLUSION

For the reasons set forth above, a Writ of Certiorari should issue to review the judgment and opinion of the Federal Circuit in the case styled *Conopco, Inc. v. May*

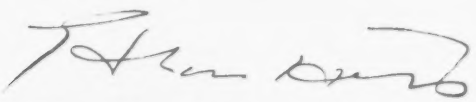
---

[12] A recent study demonstrated clearly that extrinsic cues (packaging) effect the quality assessment of products by consumers significantly more than intrinsic cues (the product's actual ingredients). Paul S. Richardson, Alan S. Dick & Arun K. Jain, "Extrinsic and Intrinsic Cues Effects on Perceptions of Store Brand Quality," 58 *Journal of Marketing* 28 (Fall 1994).

[13] *See, Kroger Co.*, 570 F. Supp. at 1060 (referring to plaintiffs' blatant copying of the TYLENOL trade dress and mark as "reminiscent of the plight of the Little Red Hen whose friends declined to plant, harvest or thresh wheat; grind or bake the flour, but were all too ready to share with her the bread that resulted."); *McDonald's Corp. v. McBagel's, Inc.*, 649 F. Supp. 1268, 1270-71, 1278-79 (S.D.N.Y. 1986) (McDonald's advertising expenditures totalled $350 million annually compared to defendant's $10,000-$15,000 per year; defendant refused to change its name when objected to by McDonald's because of the free publicity defendant's store received due to the dispute); *see also Playboy Enters., Inc.*, 486 F. Supp. at 429 (evidence established that defendants would have had to expend approximately $2,000,000 to launch a magazine that could compete with PLAYBOY, but by using the mark PLAYMEN, defendants were able to launch their magazine and effectively compete with PLAYBOY for a mere $50,000).

Dep't Stores Co., ___ F.3d ___, 32 U.S.P.Q.2d 1225 (Fed. Cir. 1994).

Respectfully submitted,



Ethan Horwitz*
Andrew Baum
Amy J. Benjamin
DARBY & DARBY P.C.
Counsel for American Home Products Corporation and Nabisco, Inc.
805 Third Avenue
New York, New York 10022
(212) 527-7700

**Counsel of Record*

March 29, 1995